



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
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Jon S. Corzine
Governor

Bradley I. Abelow
State Treasurer

May 24, 2006

**NOTICE REGARDING PLAN FOR RESTRUCTURING THE LOSS RESERVE FUND FOR
THE NEW JERSEY CASH MANAGEMENT FUND**

Pursuant to the authority vested in the State Treasurer as custodian of the New Jersey Cash Management Fund ("CMF"), including the CMF Loss Reserve Fund required by N.J.S.A. 52:18A-90.4(2), notice is hereby given that the State plans to restructure the CMF Loss Reserve Fund as authorized in General Provisions 71 and 72 of P.L. 2005, c.132, the State of New Jersey Appropriations Act ("Appropriations Act") for Fiscal Year 2005-2006.

Pursuant to the restructuring plan, cash in the amount equal to approximately \$12 million will be released to the General Fund of the State in FY 2006 and a surety bond in an equal amount will be credited to the CMF Loss Reserve Fund. Remaining cash in the reserve fund, plus available drawings under the surety bond, will be available to satisfy the reserve fund requirements. The reserve fund restructuring will become effective 30 days from the date of this notification. Moreover, General Provision 72 requires that the Department of the Treasury purchase an adequate surety bond as part of the reserve fund restructuring process. Therefore, the reserve fund restructuring will not go into effect until the required surety bond is secured.

Except as described herein, there are no other changes to the CMF Loss Reserve Fund. All questions concerning the proposed reserve fund restructuring may be directed to the CMF investment manager, William G. Clark, Director, New Jersey Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290

Sincerely,

William G. Clark, Director